



***Welcome !***

***Q2 2015-16  
Performance***

***V Shankar***  
***26 October 2015***

# Consolidated results to stock exchange

**RALLIS INDIA LIMITED**

 A **TATA** Enterprise

Registered Office: 156/157, Nariman Bhawan, 15th Floor, 227 Nariman Point, Mumbai - 400 021.

**PART I**

₹ in Cr.

**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015**

Particulars	Current 3 months ended 30 September 2015	Preceding 3 months ended 30 June 2015	Previous Corresponding 3 months ended 30 September 2014	Year to date figures for current period ended 30 September 2015	Year to date figures for previous period ended 30 September 2014	Previous year ended 31 March 2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>(Refer Notes Below)</b>						
<b>1 Income from Operations</b>						
a) Net sales/income from operations (Net of excise duty)	499.70	463.63	635.93	963.33	1,101.28	1,800.82
b) Other operating income	2.00	4.68	6.01	6.68	9.20	21.02
<b>Total income from operations (net) (a)+(b)</b>	<b>501.70</b>	<b>468.31</b>	<b>641.94</b>	<b>970.01</b>	<b>1,110.48</b>	<b>1,821.84</b>
<b>2 Expenses</b>						
a) Cost of materials consumed	244.80	251.79	257.32	496.59	542.40	889.50
b) Purchase of stock-in-trade	47.74	24.82	71.00	72.56	128.31	159.61
c) Changes in inventories of finished goods, work-in-progress and stock in trade	(26.12)	(56.26)	62.15	(82.38)	(49.12)	(54.57)
d) Employee benefits expense	34.49	32.13	30.97	66.62	63.86	129.35
e) Depreciation and amortisation expense	13.00	11.72	12.66	24.72	23.76	49.58
f) Other expenses	104.15	159.35	98.61	263.50	242.75	420.81
<b>Total Expenses (a)+(b)+(c)+(d)+(e)+(f)</b>	<b>418.06</b>	<b>423.55</b>	<b>532.71</b>	<b>841.61</b>	<b>951.96</b>	<b>1,594.28</b>
<b>3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>83.64</b>	<b>44.76</b>	<b>109.23</b>	<b>128.40</b>	<b>158.52</b>	<b>227.56</b>
4 Other Income	2.81	1.30	0.77	4.11	2.39	4.16
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>86.45</b>	<b>46.06</b>	<b>110.00</b>	<b>132.51</b>	<b>160.91</b>	<b>231.72</b>
6 Finance costs	2.85	4.09	2.55	6.94	5.01	10.13
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>83.60</b>	<b>41.97</b>	<b>107.45</b>	<b>125.57</b>	<b>155.90</b>	<b>221.59</b>

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PART I

₹ in Cr.

### CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015

	Particulars	Current 3	Preceding 3	Previous	Year to date	Year to date	Previous year
		months ended 30 September 2015	months ended 30 June 2015	Corresponding 3 months ended 30 September 2014	figures for current period ended 30 September 2015	figures for previous period ended 30 September 2014	ended 31 March 2015
	(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
8	Exceptional Items	-	-	-	-	-	-
9	<b>Profit / (Loss) from ordinary activities before tax (7- 8)</b>	<b>83.60</b>	<b>41.97</b>	<b>107.45</b>	<b>125.57</b>	<b>155.90</b>	<b>221.59</b>
10	Tax expense	27.79	1.87	34.61	29.66	40.65	61.79
11	<b>Net Profit / (Loss) for the period (9-10)</b>	<b>55.81</b>	<b>40.10</b>	<b>72.84</b>	<b>95.91</b>	<b>115.25</b>	<b>159.80</b>
12	Extraordinary Item	-	-	-	-	-	-
13	<b>Net Profit / (Loss) after taxes but before share of profit / (loss) of associates and minority interest (11-12)</b>	<b>55.81</b>	<b>40.10</b>	<b>72.84</b>	<b>95.91</b>	<b>115.25</b>	<b>159.80</b>
14	Minority Interest	(1.48)	7.01	(0.59)	5.53	4.84	2.58
15	<b>Net Profit after taxes and minority interest (13-14)</b>	<b>57.29</b>	<b>33.09</b>	<b>73.43</b>	<b>90.38</b>	<b>110.41</b>	<b>157.22</b>
16	Paid-up equity share capital (Face value ₹ 1 per share)	19.45	19.45	19.45	19.45	19.45	19.45
17	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						795.07
18	<b>Earnings per Share (EPS)</b> <b>(of ₹ 1 each) (not annualised):</b>						
	a) Basic	2.95	1.70	3.78	4.65	5.68	8.08
	b) Diluted	2.95	1.70	3.78	4.65	5.68	8.08
	<b>See accompanying notes to the financial results</b>						

# Consolidated results to stock exchange



**RALLIS INDIA LIMITED**  
A TATA Enterprise

PART II							
SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015							
	Particulars	Current 3 months ended 30 September 2015	Preceding 3 months ended 30 June 2015	Previous Corresponding 3 months ended 30 September 2014	Year to date figures for current period ended 30 September 2015	Year to date figures for previous period ended 30 September 2014	Preceding 3 months ended 31 March 2015
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
<b>1</b>	<b>Public Shareholding</b>						
	- Number of Shares	97,052,280	97,052,280	97,052,280	97,052,280	97,052,280	97,052,280
	- Percentage of shareholding	49.91%	49.91%	49.91%	49.91%	49.91%	49.91%
<b>2</b>	<b>Promoters and Promoter Group Shareholding</b>						
<b>a)</b>	<b>Pledged/Encumbered</b>						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA	NA
	- Percentage of shares (as a% of the total share capital of the company)	NA	NA	NA	NA	NA	NA
<b>b)</b>	<b>Non-encumbered</b>						
	- Number of shares	97,416,610	97,416,610	97,416,610	97,416,610	97,416,610	97,416,610
	- Percentage of shares (as a% of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%
	<b>Particulars</b>	<b>Current 3 months ended 30 September 2015</b>					
<b>B</b>	<b>INVESTOR COMPLAINTS</b>						
	Pending at the beginning of the quarter	-					
	Received during the quarter	2					
	Disposed of during the quarter	1					
	Remaining unresolved at the end of the quarter	1					

# Consolidated results to stock exchange



**RALLIS INDIA LIMITED**  
A **TATA** Enterprise

₹ in Cr.			
CONSOLIDATED UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2015			
	Particulars	As at 30 September 2015	As at year end 31 March 2015
		Unaudited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	19.45	19.45
	(b) Reserves and surplus	885.44	795.07
	<b>Sub-total - Shareholders' funds</b>	<b>904.89</b>	<b>814.52</b>
<b>2</b>	<b>Minority Interest</b>	15.64	10.08
<b>3</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	19.10	26.81
	(b) Deferred tax liabilities (Net)	37.85	35.66
	(c) Other Long term liabilities	4.32	4.04
	(d) Long-term provisions	17.58	18.40
	<b>Sub-total Non-current liabilities</b>	<b>78.85</b>	<b>84.91</b>
<b>4</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	136.53	83.74
	(b) Trade payables	496.10	288.24
	(c) Other current liabilities	61.35	95.03
	(d) Short-term provisions	31.42	59.28
	<b>Sub-total - Current liabilities</b>	<b>725.40</b>	<b>526.29</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,724.78</b>	<b>1,435.80</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	<b>Non Current assets</b>		
	(a) Fixed assets	443.23	426.03
	(b) Goodwill on consolidation	195.88	195.83
	(c) Non-current investments	18.69	18.69
	(d) Long-term loans and advances	118.72	110.13
	<b>Sub-total - Non-current assets</b>	<b>776.52</b>	<b>750.68</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	6.88	5.50
	(b) Inventories	517.03	394.20
	(c) Trade receivables	376.86	247.75
	(d) Cash and bank balances	6.50	7.17
	(e) Short-term loans and advances	38.40	27.89
	(f) Other current assets	2.59	2.61
	<b>Sub-total - Current assets</b>	<b>948.26</b>	<b>685.12</b>
	<b>TOTAL - ASSETS</b>	<b>1,724.78</b>	<b>1,435.80</b>

**Notes :**

- 1 The above results were reviewed by the Audit Committee, and approved by the Board of Directors at its meeting held on 23 October 2015, and the Statutory auditors of the Company have conducted a "Limited Review" of the the above financial results the quarter and six months ended 30 September 2015.
- 2 The business of the Company and its subsidiaries (the "Group") is seasonal in nature and the performance can be impacted by weather conditions and cropping pattern.
- 3 The Company and its subsidiaries have one reportable business segment viz. "Agri-Inputs".
- 4 The Standalone results of the Company for the quarter and six months ended 30 September 2015 are as follows:

(₹ in cr)

Particulars	Current 3 months ended 30 September 2015	Preceding 3 months ended 30 June 2015	Previous Corresponding 3 months ended 30 September 2014	Year to date figures for current period ended 30 September	Year to date figures for previous period ended	Previous year ended 31 March 2015
(Refer Notes Below)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Turnover (net of Excise)	462.23	244.00	578.42	706.23	867.41	1,498.12
Profit Before Tax	92.48	6.32	110.73	98.80	129.85	205.75
Net Profit After Tax	64.69	4.45	76.12	69.14	89.20	145.41

- 5 Figures for the earlier periods have been regrouped / recast, wherever necessary, to conform to the classification of the current period.
- 6 The standalone results of the Company are available for investors at [www.rallis.co.in](http://www.rallis.co.in), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

**In terms of our report attached  
For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants**

**Sanjiv V. Pilgaonkar  
Partner**

**Mumbai, 23 October 2015**

**For and on behalf of  
Rallis India Limited**

**V Shankar  
Managing Director & CEO**



# Financial Performance : Key Highlights

Rs Crs

## Consolidated

	Q 2 14-15	Q 2 15-16		H1 14-15	H1 15-16
Net Sales	635.9	499.7	Net Sales	1,101.3	963.3
Profit before tax (bei)	107.5	83.6	Profit before tax (bei)	155.9	125.6
Net Profit After Tax (After MI)	73.4	57.2	Net Profit After Tax (after MI)	110.4	90.3



# ***Domestic Business***





For third time in 143 years, country faces back-to-back drought

Hindu Business Line

Monsoon failure: Twice-cursed!

The effects of a 'strong' El Nino event ultimately proved too much, more than neutralising any 'positive' Indian Ocean Dipole, Madden-Julian Oscillations or other such countervailing weather phenomena.

INDIAN EXPRESS

Overall rainfall deficit at 14%, says Met

The four-month south-east monsoon season (June-September) came into end on Wednesday with an overall rainfall deficiency of 14% from the benchmark long period average (LPA).

By: FE Bureau | New Delhi | October 1, 2015 12:07 AM

Financial Express

Water reserves fall 23% as monsoon season ends

Water reserves in the country remained far from normal for nine consecutive weeks through Wednesday and were at alarming levels in the southern region, even as the summer monsoon season came to an end.

By: FE Bureau | October 2, 2015 12:07 AM

Driest India monsoon in six years hurts food crops, shrinks dams

Rainfall was 14% less than the 50-year average of 89cm between June and September, IMD said on Wednesday

Live Mint

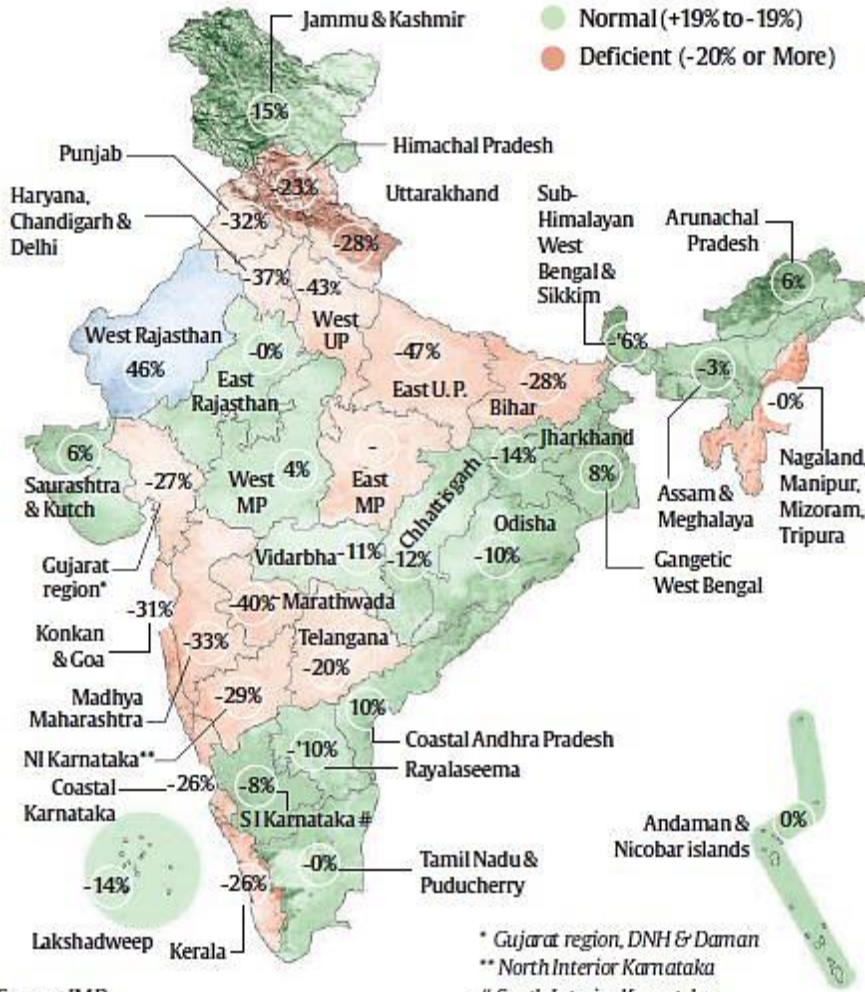
IMD: Wind direction to blame for extreme October heat

TIMES OF INDIA

## HOW IT RAINED THIS MONSOON ( % deviation from normal)

Period: June 1-Sept 30

- Excess (+20% or More)
- Normal (+19% to -19%)
- Deficient (-20% or More)

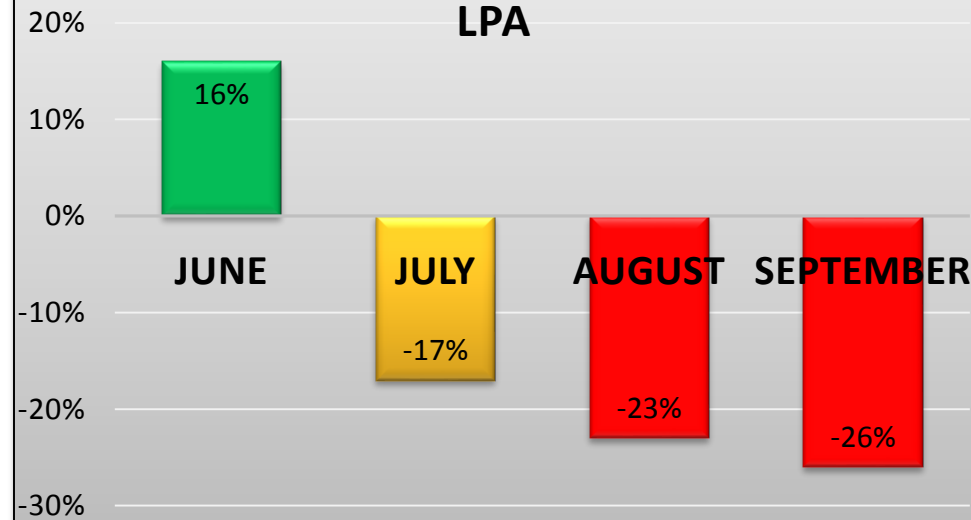


## MONSOON SEASON FROM JUN 1 TO SEP 30, 2015 (in millimetres)

Region	Actual rain	Normal rain	Shortfall (in %)
North-West India	510.6	615	<b>-17</b>
Central India	815.5	975.5	<b>-16</b>
South Peninsula	605.7	716.1	<b>-15</b>
All India	760.6	887.5	<b>-14</b>
East & North-East	1,317.5	1,438.3	<b>-8</b>

Source: India Meteorological Department

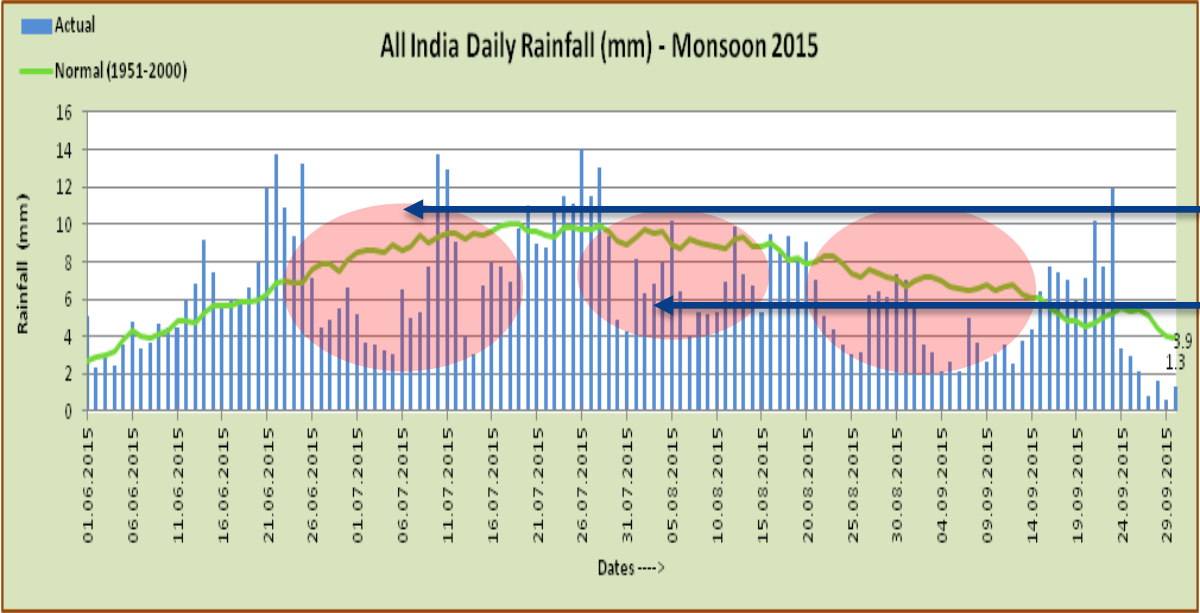
## Monthly Rainfall % as compared to LPA



Source: IMD

# Second consecutive year of Deficiency

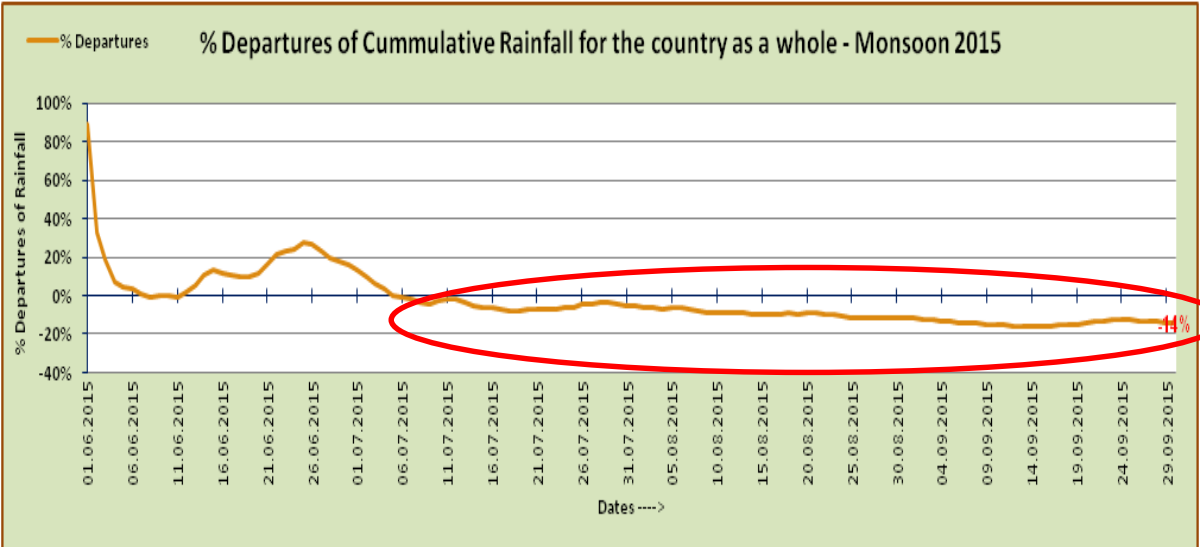
*Year 2015 was the first back-to-back drought for India in three decades, and only the fourth in more than a century.*



❑ A long Dry spell in July after whopping rainfall in June

❑ August Onwards, it was completely a dry period till end of the season

❑ India's average rainfall **3<sup>rd</sup> lowest in 36 years**



❑ 2015 Southwest monsoon ends with 14% deficit, (760.6 mm of rainfall v/s normal average of 887.5 mm.) weakest since 2009.

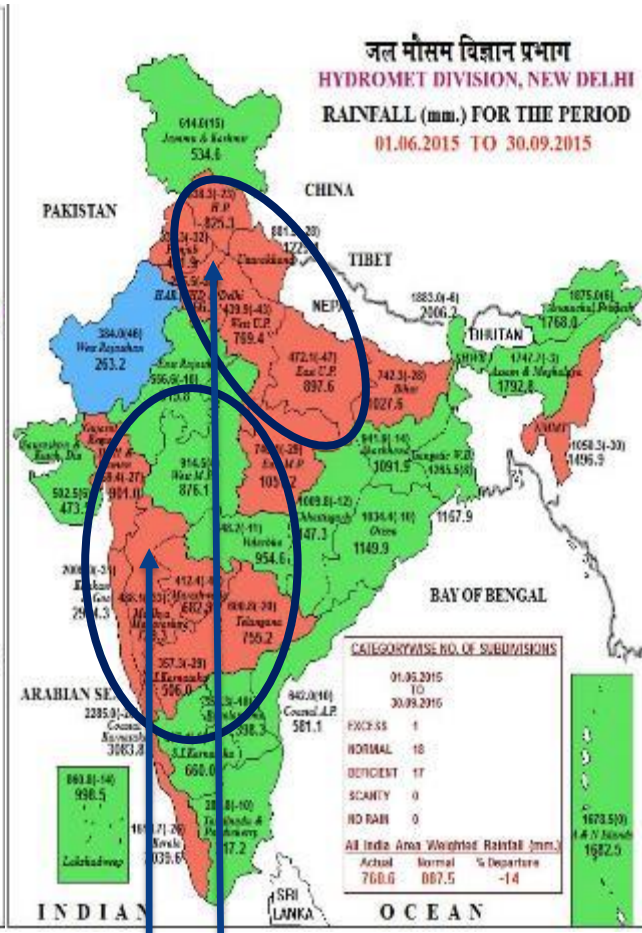
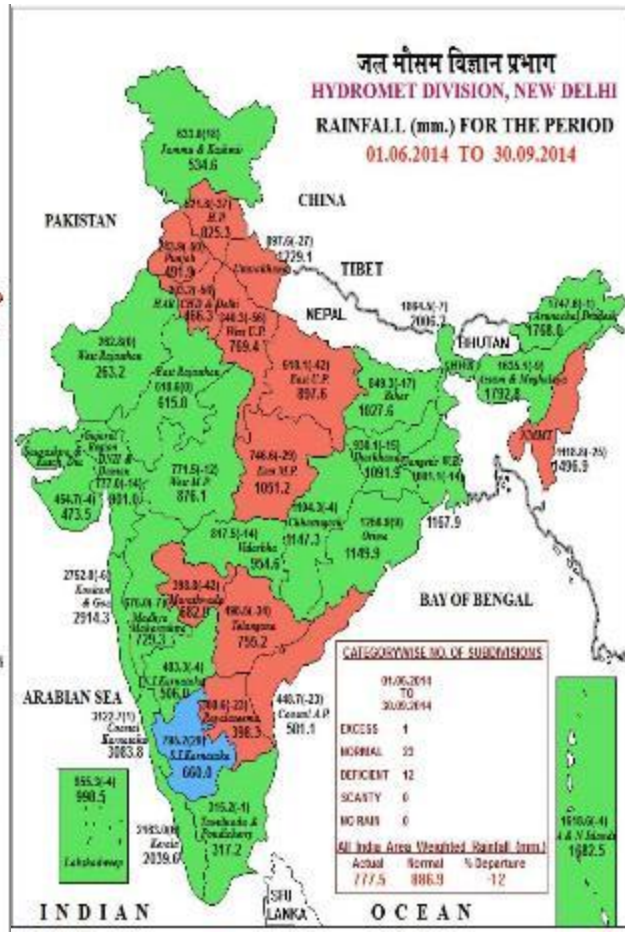
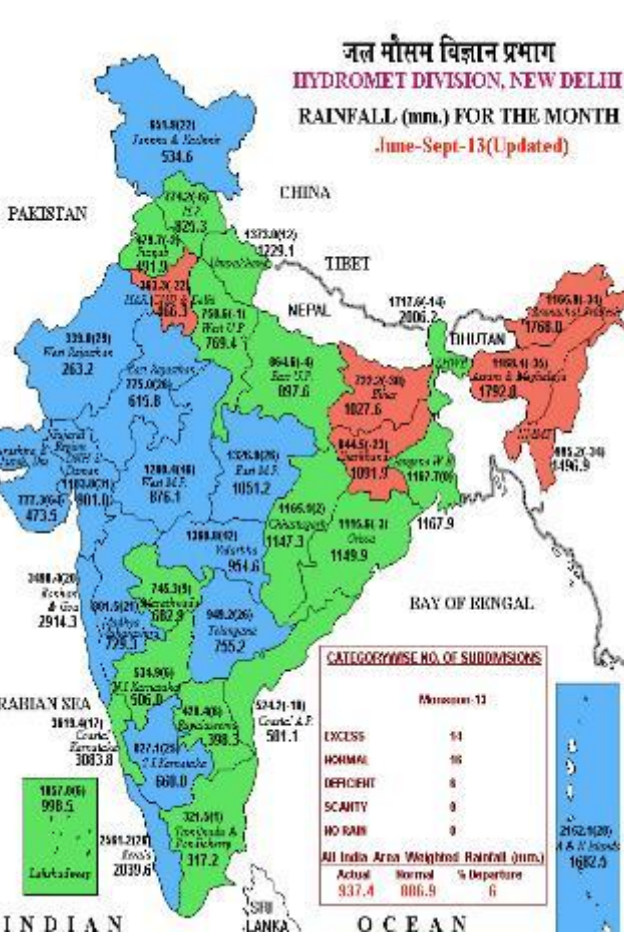
- *IMD forecast- 12% deficit.*
- *Skymet forecast- 2% surplus; revised to 2% deficit last month.*

# Poor Monsoon in key geographies

2013-14

2014-15

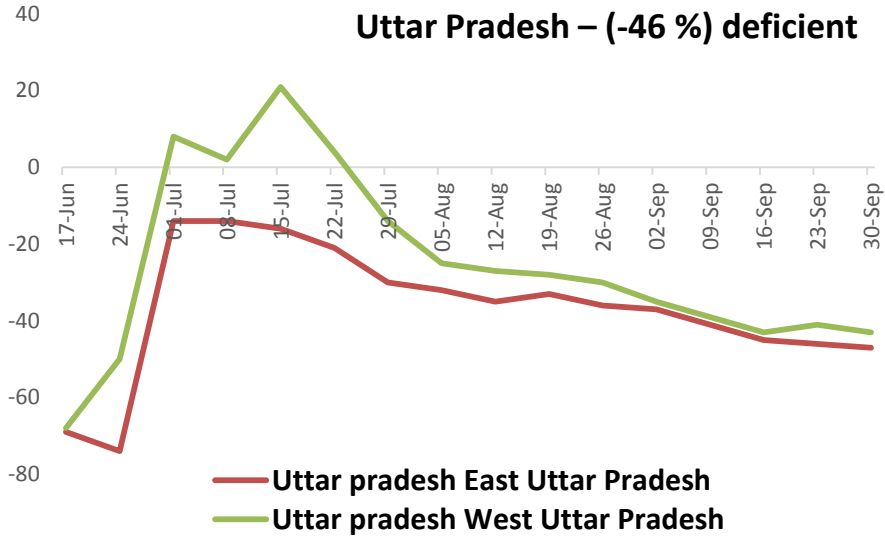
2015-16



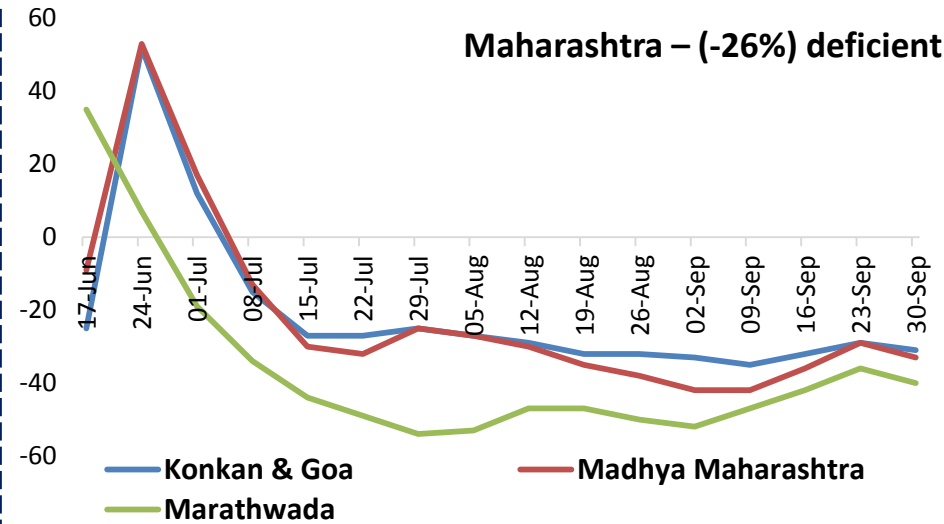
**Affected Areas- Central & Southern part of the country where the business share of Rallis is high**

# Major Areas Impacted

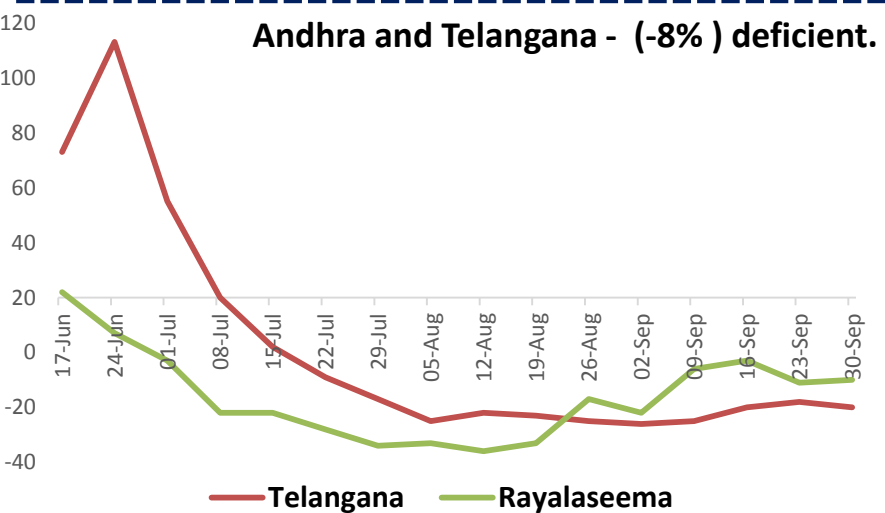
**Uttar Pradesh – (-46 %) deficient**



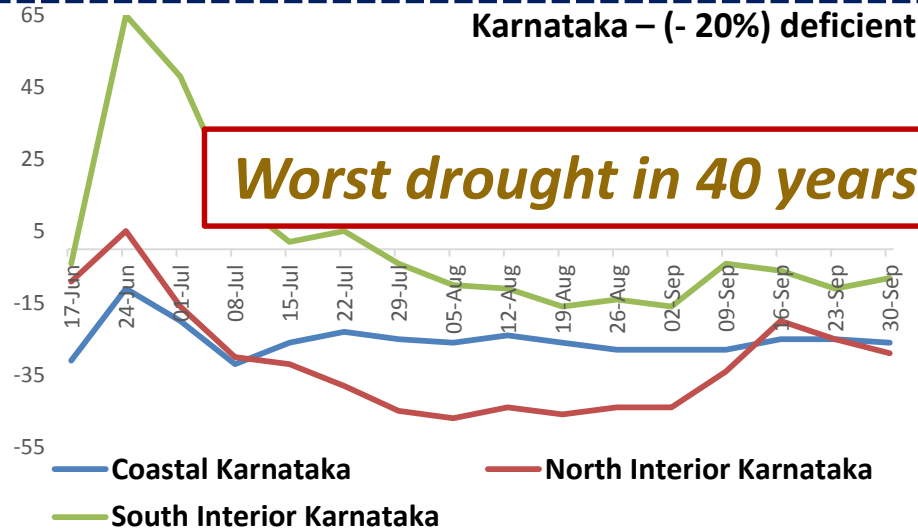
**Maharashtra – (-26%) deficient**



**Andhra and Telangana - (-8%) deficient.**



**Karnataka – (- 20%) deficient**



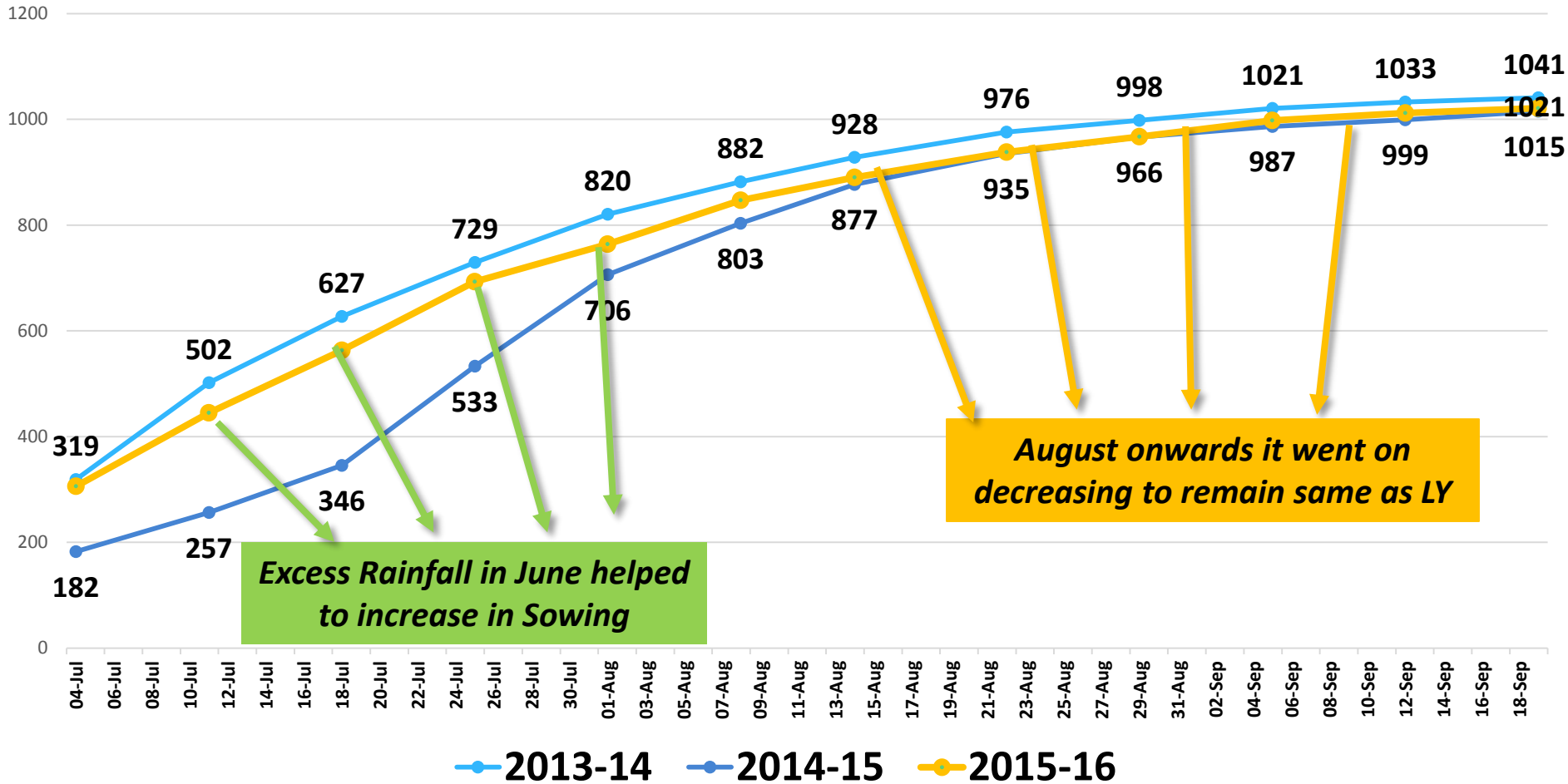
**Worst drought in 40 years**

Source: Crisil reports.

**Maharashtra, UP and Karnataka account for close to 30% of India's Kharif foodgrain production**

# Sowing Progress of all Crops

In Lakh Hectares

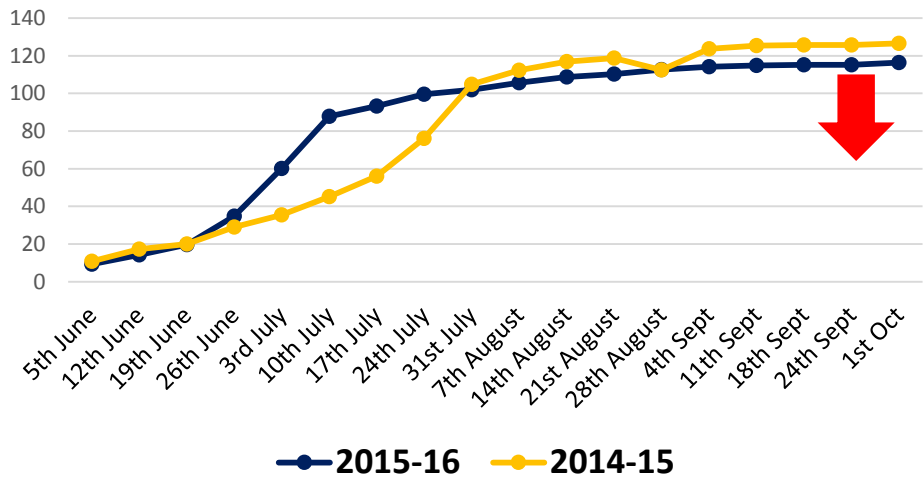


*Excess Rainfall in June helped to increase in Sowing*

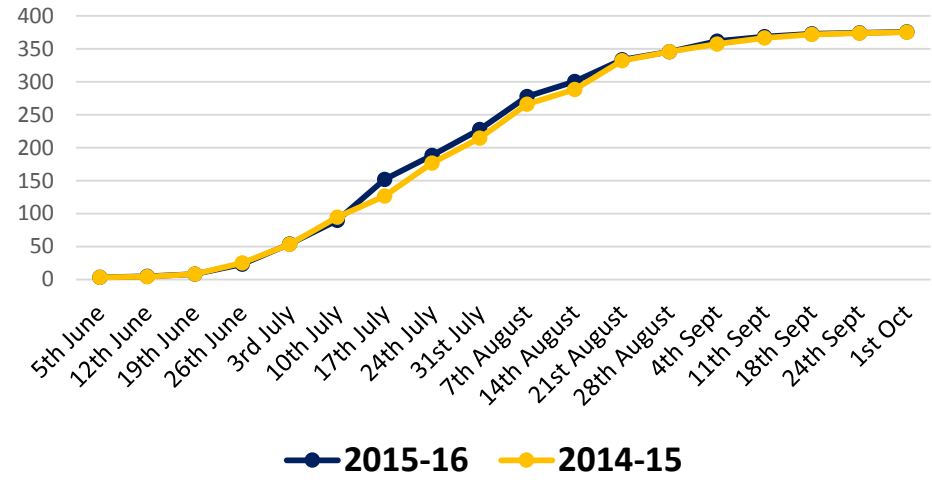
*August onwards it went on decreasing to remain same as LY*

# Sowing Progress of Key Crops

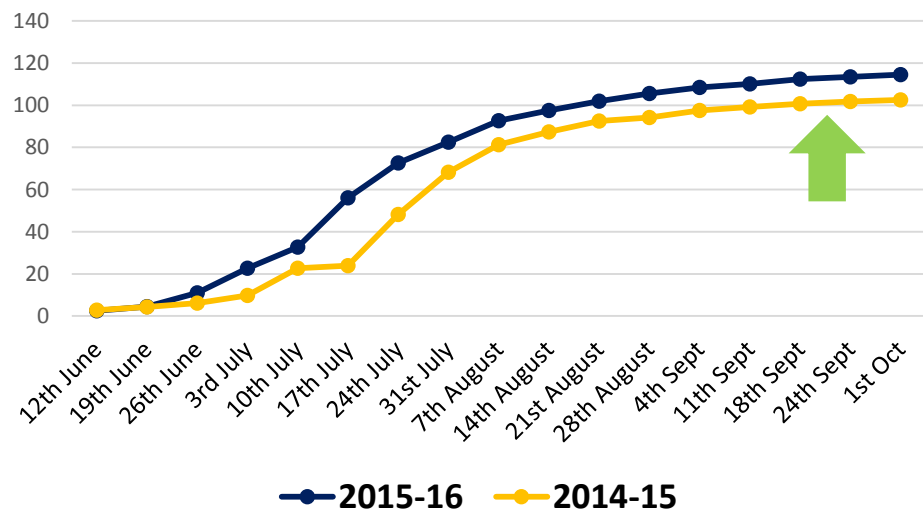
## COTTON



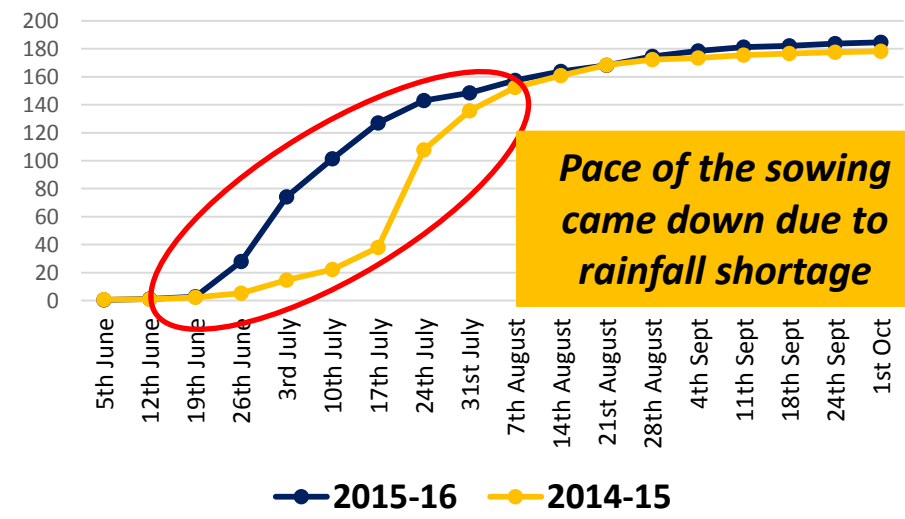
## PADDY



## PULSES



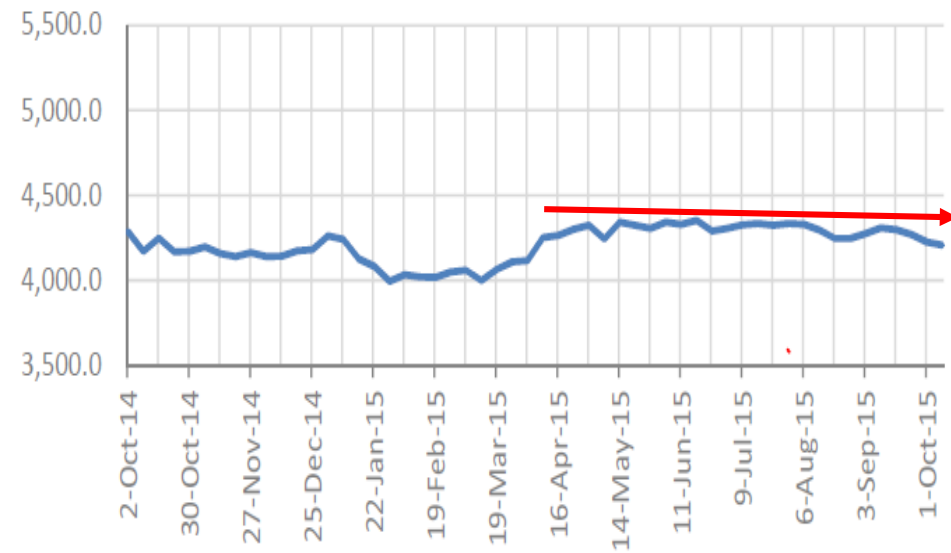
## OIL SEEDS



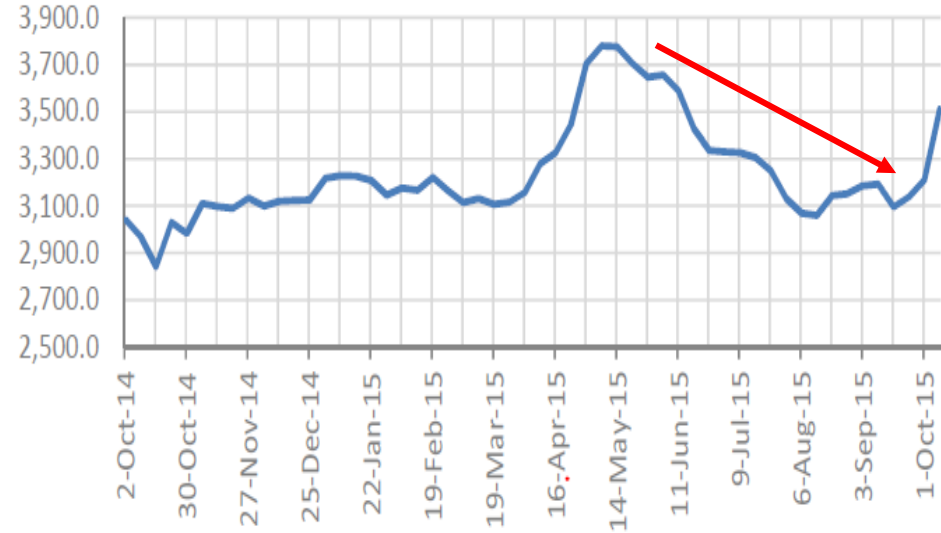
***Pace of the sowing came down due to rainfall shortage***

# Commodity Prices- Domestic

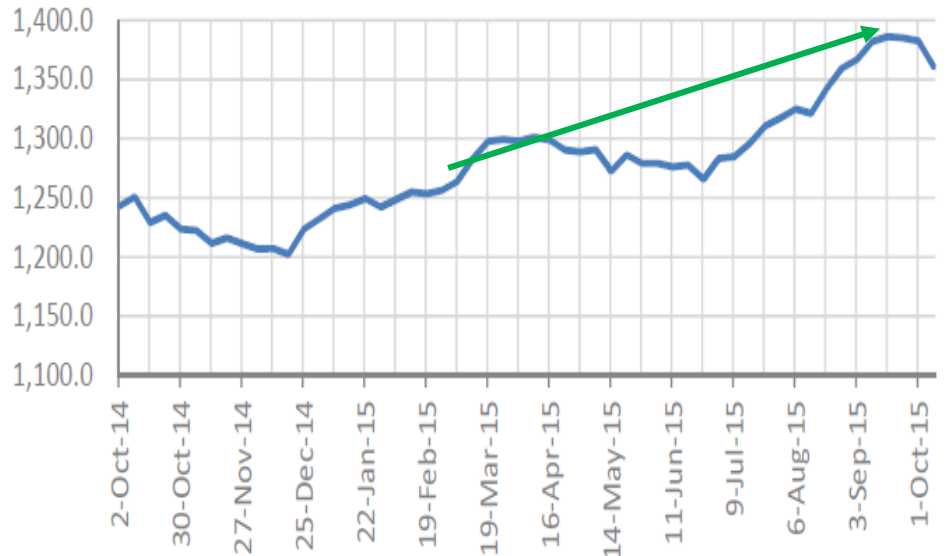
Weekly Cotton Prices (Rs./Quintal)



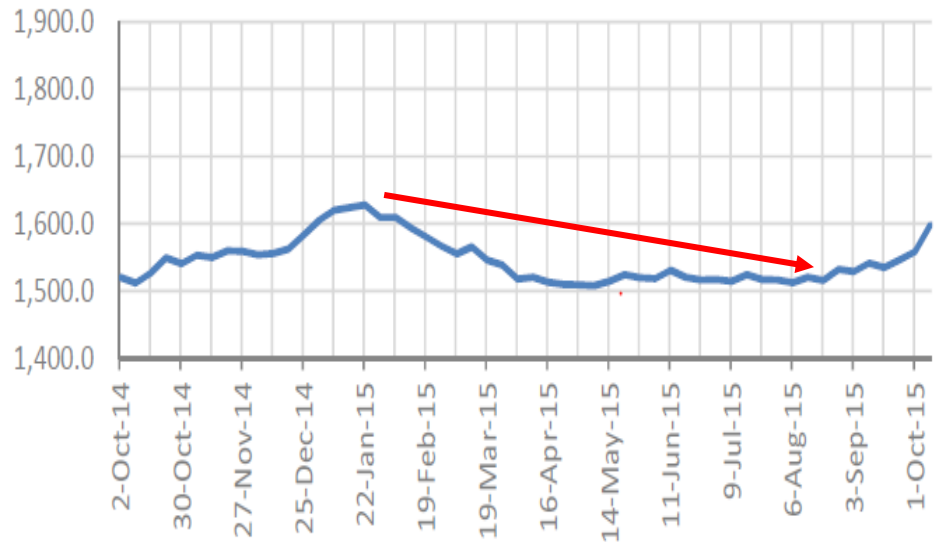
Weekly Soyabean Prices (Rs./Quintal)



Weekly Maize Prices (Rs./Quintal)



Weekly Wheat Prices (Rs./Quintal)



Source: PTI.  
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- Excellent start of the monsoon, June received excess rain of 16%
- August Onwards, it was completely a dry period till end of the season
- Back to back drought year in past three decades

- Initial good rain helped for a good start of the sowing but later it slowed down and maintained at last year total
- Some crops like cotton, paddy saw re-sowing
- Cotton acreages came down due to drought in many areas

- Farmers avoided multiple sprays due to worse crop conditions
- In anticipation of low produce, overall spend on the crops was less
- Low MSP & decreasing commodity prices lowered farm income

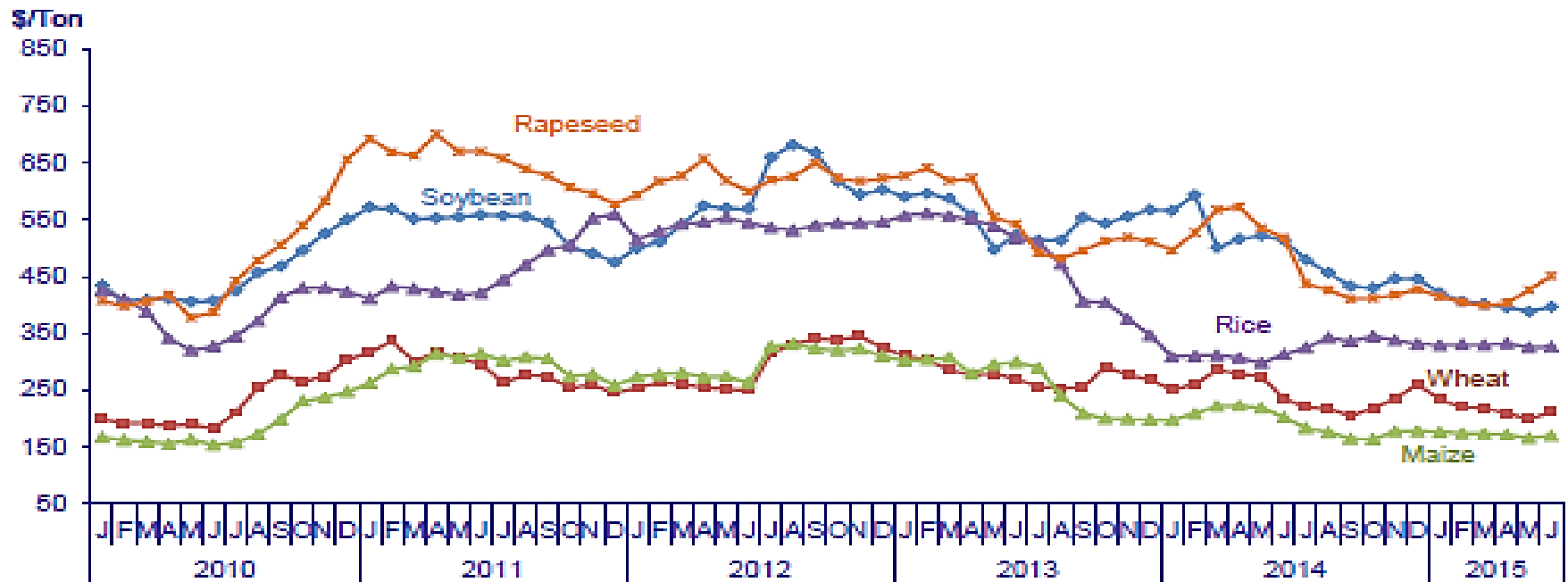
- Distress among farmer community lead to weaker trade sentiments
- Trade was conservative with credit terms to channel/farmer
- Increase in inventory triggered price cuts



# ***International Business***

The prices of commodities are falling fast. In August they reached their lowest level for eight years, down by over 41% from their peak in 2011.

### Crop Commodity Prices (January 2010 to June 2015)



## Recorded drop of 25% in Brazil Agro Chem market in H1 2015

*Brazil Mega drought 2015 has been an ongoing drought – Worst in last 80 years.*

*Business for Brazil is impacted on account high inventory at Market place.*

*Historic currency devaluation in Brazil – Imports turn expensive.*



# *Looking Ahead*

Parameter	Outlook
<b>Crops</b>	<ul style="list-style-type: none"><li>• Rains towards the end of September &amp; beginning of October may encourage Rabi sowing.</li><li>• All Pulses are expected to be better than last year.</li><li>• Reservoir levels are at 61% of previous year, may impact Rabi paddy acreages</li></ul>
<b>Industry</b>	<ul style="list-style-type: none"><li>• High inventories &amp; receivables</li><li>• Focus on liquidation.</li></ul>
<b>Domestic</b>	<ul style="list-style-type: none"><li>• Domestic market expected to have tight cash cycle.</li></ul>
<b>International</b>	<ul style="list-style-type: none"><li>• Inventory levels expected to liquidate</li><li>• Improvements in commodity prices to watched closely.</li></ul>

## Rallis – Pillars of growth



